

Consumer Alert

Federal Trade Commission ■ Bureau of Consumer Protection ■ Office of Consumer and Business Education

After a Disaster: Hiring a Contractor

If your house has been damaged by a natural disaster — hurricane, flood or tornado — a reputable contractor can help you get your home repaired. Unfortunately, disasters sometimes bring out home repair rip-off artists, who overcharge, perform shoddy work and often leave without finishing the job. What can you do to find a quality contractor? The Federal Trade Commission and the Federal Emergency Management Agency offer the following tips:

- Be wary of builders or contractors who go door-to-door selling their services, especially those who are not known in your community or offer reduced prices because they've just completed work nearby and claim they have materials left over.
- Deal only with licensed and insured contractors. Investigate the track record of any roofer, builder or contractor you're thinking of hiring. Get a list of recent satisfied customers from any prospective contractor.
- Ask friends, relatives, neighbors, co-workers, insurance agents or claims adjusters for recommendations. Also check with your Better Business Bureau to see if complaints have been lodged against any contractor you're considering.
- Don't let anyone rush you into signing a contract. Get written estimates from at least three firms. Ask contractors if there's a charge for an estimate before allowing them in your home. Ask for explanations of price variations. Don't automatically choose the lowest bidder. Get a copy of the final, signed contract.
- Beware of contractors who ask you to pay for the entire job up-front. Never give a deposit until you've done your homework. When you make a down payment, it should not be more than one-third of the total price. Pay only by check or credit card — and pay the final amount only after the work is completed to your satisfaction. Don't pay cash.
- Be skeptical of contractors who encourage you to spend a lot of money on temporary repairs. Make sure you'll have enough money to complete permanent repairs.
- Be cautious about using your home as security for a home improvement loan. If you fail to repay the loan as agreed, you could lose your home.
- Have a knowledgeable friend, relative or your attorney review a contract before you sign. If you get a loan to pay for the work, consider having these documents reviewed as well.

If you suspect a repair rip-off, call the consumer division of your state Attorney General. If you suspect fraud, waste, or abuse involving Federal Emergency Management Agency disaster assistance programs, you can make a confidential report to FEMA's Inspector General's Office.

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